

## PERMIT STREAMLINING WORKGROUPS

The Air Pollution Control Program participated in the Governor's Streamlining Efforts – Missouri Results Initiative since 2001. The issue being addressed is permit efficiency in the Construction and Operating Permit units. The mission of the Missouri Results Initiative is to reduce permit processing time by 80 percent.

The Missouri Results Initiative is conducting two parallel workgroups within the Air Pollution Control Program, one for Construction Permits and one for Operating Permits. The workgroups consist of members from the Air Pollution Control Program, the department's regional offices, environmental groups and regulated industry. The primary goals are to improve the quality of air permits, decrease the number of complaints and issues and improve turnaround time on issuing permits while continuing to improve and protect the air quality of Missouri.

The workgroups conducted walkthroughs; flowcharted the permitting processes and identified a target for the 80 percent reduction. The workgroups presented recommendations to the department's management and received direction on putting it into practice and developed action plans to start the approved recommendations.

The Operating Permit workgroup presentation consisted of both recommendations and other options to consider. The recommendations and options are as follows:

### Recommendations

1. One-person stop/login and completeness check;
2. Provide more focused assistance to regulated industry during permit development, through industry specific workshops and site visits by review engineers;
3. State provide local agencies, contractors and industry updates on templates, policies, EPA guidance and feedback, etc., and local agencies provide the state – workload status;
4. Create a culture of sharing information and experience;
5. Combine peer review and executive reviews into one review by Unit Chief; and
6. Conduct the 45 day EPA Review and 30 day public notice period at the same time;

### Other Options Considered:

1. Electronic permit application;
2. Basic Permits; and
3. Integration of Construction and Operating Permits or Unified Review Process

The one-person stop/login and completeness check is in the process of being put into practice. To start this process, the Permit Section is moving the login and completeness check of the operating permit applications/notifications to the Initial Review Unit. After finalizing the procedures, the Permit Section planned to begin initiating the transfer of completeness check duties to the Initial Review by December 2002.

The communication recommendations of more focused assistance to the regulated industry, improved communication between the local agencies, contractors, industry and the state and creating a culture of sharing information and experience are in the

process of being put into practice. To start these recommendations, the State is keeping industry informed. The Governor's Streamlining Recommendations were presented to both the Air Program Advisory Forum and the **Missouri Air Conservation Commission**. Some of the mechanisms and commitments made to improve communication between regulated industry, local agencies, contractors and the state:

- Revise and post the revised Operating Permit Forms and Instructions on the web
- Conduct industry specific workshops
- Post issued operating permits on the web
- Have review engineers visit sites to get clarification on issues during technical review and
- Have regular coordination meetings with local agencies.

The Operating Permit Unit completed implementation of the recommendation to combine peer and executive review into one review by the unit chief. Currently, the unit chief is reviewing all projects, but not all projects will be able to be completed without a peer review. With new engineers, the unit chief has the discretion to require a peer review prior to the executive review. In addition, the unit chief also has the discretion to send projects to the section chief for review or upper management informational purposes.

The Operating Permit Unit is not recommending to combine the 45 day EPA Review and 30 day public notice period at the same time. On Jan. 29, 2002, the U.S. District Court for the District of Columbia issued an opinion on the *Sierra Club v. US EPA*, which discussed concurrent review of "proposed" permits. Based on legal

review of the opinion it has been suggested the Air Pollution Control Program not pursue this recommendation.

In regards to the Basic Permits option, the workgroup is finalizing a recommendation for the Basic Permits. Prior to a recommendation, the Air Pollution Control Program has initiated efforts to revise 10 CSR 10-6.065, *Operating Permits*, to exempt portable installations from the requirements of Basic Operating Permits. In addition, the Operating Permit Unit is updating the General Operating Permit Notifications and Instructions for specific source categories as well as the Generic Operating Permit Forms and Instructions.

The electronic permit application is an excellent idea, but due to the significant outlay of funding and manpower needed to put this option into operation, it is not currently being started. Perhaps using the recommendations above will lay the necessary groundwork to use to the electronic path.

The integration of construction and operating permits option is too early to put into practice. As the procedure was outlined, it would not accomplish the goal of one permit per installation and less review time per permit per installation. The Department of Natural Resources is open to revisiting this initiative in the future after the first round of issuing operating permits is completed.

The program is also working to implement the recommendations of the Construction Permit Workgroup. The recommendations are as follows:

### Recommendations

1. Expand and market the exemption list;
2. Missouri Permit Required Form;
3. Permit by rule;
4. Speed up billing;
5. New permitting process; and
6. Improve reviewer satisfaction

The workgroup found that many applicants were not aware of the exemptions and that there might be opportunities to add exemptions. A new stand-alone exemption regulation has been drafted and several new exemptions were added. Examples of the new exemptions are dry cleaners, small sawmills and auto-body repair shops. The rule is now in the formal rulemaking process, and is expected to be final in late fall 2003.

Many applicants write to ask for a determination that no construction permit is required for their project in question. Often the applicant knows, and has clearly determined that a permit is not required, but feels that a letter from the agency is good "insurance" against potential future enforcement actions. These permit determination requests just burden the system, as permit engineers must respond to these requests. The workgroup suggested that the program develop a form that applicants could use to document their determination. The program is currently working with a contractor to develop this form, and expects that it will be available by late fall 2003.

Permit by Rule is a concept by which common air pollution sources could agree to a set of standard conditions in lieu of being subject to a case-by-case permit review. The applicant would simply notify the agency of its intent to construct, pay a review fee and begin construction. Once operating,

the department would inspect the new facility to make sure that it is complying with the established conditions. The program drafted a new regulation to implement this recommendation, and it is currently in the formal rulemaking process. Non-heatset printing, surface coating and animal incinerators and crematories will be the first three categories considered. The program is also working with the construction industry to develop conditions for limestone quarries, asphalt plants and cement batch plants. Again, this rule is expected to be final in late fall 2003. There will be an opportunity to add additional categories in future rulemakings.

When a permit review is complete, the air law requires that review fees be paid before a permit is issued. The workgroup found that this was an inherent delay requiring a fee letter be sent to the applicant, and then waiting as the applicant responds with a fee payment. This can easily take 10 days to two weeks. To solve this, the program is now accepting payments by debit and credit card. A convenience fee is added to cover the costs, but most applicants are willing to pay for the convenience.

The workgroup found that too many applications were incomplete and too many applications are on hold awaiting additional information from the applicant. There are other ways to convey the information needed to write a permit besides the traditional application forms. A promising concept that the workgroup discussed at length was for the program to develop a certification process for consultants or industry. Applicants could use certified professionals to not only prepare applications but to prepare draft permits. State permit

review resources are limited, but by using this approach everyone could take advantage of experienced air pollution professionals around the state. Draft permits would be submitted with senior review staff overseeing final reviews. While this concept has much promise, there are many hurdles to putting it into practice. One challenge is to maintain consistent reviews. Necessary tools and resources would have to be developed so that these outside professionals could do the job properly. The program is developing a proposal to pilot this approach with a consultant. While it is expected that this pilot will take months to complete, it is believed that this concept holds much promise for future applicants that need quick reviews.

The workgroup recognized that staff turnover continues to be a problem in the construction permit unit. The work is demanding, and often the reward for a job well done is additional projects to review. There are many reasons for staff turnover, but an important one is noncompetitive salary. The workgroup recommended that the department address this issue in some way. State budget concerns are a stumbling block to making much progress on this at this time. A taskforce was established at the department level to look at staffing issues and the concerns raised by the Construction Permit Workgroup have been shared with this task force.

Implementing these recommendations is expected to improve both the construction and operating permit processes, making it simpler and quicker. This is part of program's mission and much progress has already been made.